

Costs Not Allowed For Reimbursement Under Title IV-E

Virginia Department of Social Services

March 1, 2004

Administrative Specific Costs

1	Federal policy specifies that allowable administrative costs do not include the costs of social services provided to the child, the child's family, or foster family which provide counseling or treatment to ameliorate or remedy personal problems, behaviors
2	Administrative costs are not normally and should not be reimbursed within foster care maintenance rates.
3	Administrative costs can be claimed for a child on a trial home visit but not their Maintenance costs.
4	Administrative costs can be claimed for a IV-E eligible child regardless of other eligibility or IV-E reimbursement status e.g., receiving SSI. For maintenance payments, the LDSS must choose between SSI or IV-E when the child is eligible for both.
5	Administrative costs for the child of a minor parent (unless the child enters foster care) is not allowed. An increase to the maintenance payment for the minor parent is allowed.

Examples of Costs That are not Allowable Under Title IV-E

	Generally, costs should be consistent with those outlined in Office of Management and Budget (OMB) Circular A-87.
1	Illness of a foster parent: ensuring supervision for children is a component of parenting. Child care when a foster parent is ill is not reimbursable.
2	Respite care is a service and is not reimbursable.
3	Foster parent attendance at school conferences is not reimbursable.
4	Foster parent costs to visit a child temporarily out of the home are not reimbursable.
5	Child care that serves to enhance a child's social skills or for therapeutic reasons is not reimbursable.
6	Travel for the biological family or previous caretaker to visit the child in his/her placement.
7	Advertising not related to the recruitment of personnel, the procurement of goods and services, the disposal of surplus materials, or a specific purpose necessary to meet the requirements of either Title IV-E
8	Alcoholic beverages
9	Bad debts
10	Contingency fees not based on any acceptable actuarial cost methods
11	Contributions and donations
12	Entertainment, including amusement, diversion, and social activities
13	Capital expenditures, including the cost of items of equipment in excess of \$5,000, without State Central office approval
14	Fines and penalties, including damages and other settlements resulting from violations (or alleged violations) of Federal, state, or local laws and regulations
15	Fund raising and investment management
16	General Government expenses, including the expenses of the State or the Governor or other executive or a political subdivision, salaries and other expenses of State legislatures or similar local governmental bodies; cost of the judicial branch of the Attorney General.
17	Idle facilities and unused capacity unless they are necessary to meet fluctuations in workload
18	Lobbying, including the costs of influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans
19	Medical and Service Costs – Although the provision of health care services is not an allowable cost item under Title IV-E, these costs may be fundable under Medicaid. Examples of such costs may include medical and dental care, prescription medicines.
20	Educational services
21	Counseling services
22	Costs associated with a child's general education (except for certain supplies)

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23	Activities being performed by the court and court staff
24	Investigating claims of abuse and neglect
25	Physical/mental examinations or evaluations
26	Completing case progress notes
27	The actual services provided to children in foster care for compliance with the reasonable efforts requirement
28	Maintenance payments are not allowed when a child is placed in a non-reimbursable placement

Maintenance Non-Reimbursable Placements:

1	Public institutions serving more than 25 children
2	Unlicensed facilities or child placing agencies
3	Agencies operating on anything less than a full license (i.e.; a license that indicates the facility is in substantial conformity with all licensing standards and/or regulations). Conditional, annual or biennial licenses, issued because a facility is a newly licensed facility, are considered fully licensed and are reimbursable placements so long as the facility is in substantial conformity with all licensing standards and regulations
4	Psychiatric (and medical) hospitals
5	Detention facilities, forestry camps, training schools, or any other facility operated primarily for the detention of children who are determined to be delinquent.
6	Maintenance payments are allowable if paid directly to the foster home and the maintenance costs of that home are not commingled with those of the for-profit agency.